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CHINA TRADE PROSPECTS

ANNCR:

RECENT COMMENTS BY PEKING OFFICIALS ON CHINA'S FOREIGN TRADE PROSPECTS HAVE RECEIVED HEAVY PLAY BY FOREIGN JOURNALISTS ....AS WE HEAR IN THIS BACKGROUND REPORT BY VOA'S JOSEPH SULLIVAN.

VOICE:

EARLIER THIS MONTH, WANG YAO-TING, THE CHAIRMAN OF CHINA'S COUNCIL FOR THE PROMOTION OF INTERNATIONAL TRADE TOLD A VISITING GROUP OF FRENCH BUSINESSMEN THAT CHINA'S TRADE WITH THE REST OF THE WORLD WILL BE FLOURISHING BEFORE THE END OF THIS DECADE. HOWEVER, HE GAVE SEVERAL REASONS WHY ONE SHOULD NOT EXPECT A DRAMATIC INCREASE IN CHINA'S FOREIGN TRADE AT THIS TIME. FOR ONE THING, HE SAID, THE POLICIES OF THE RADICAL LEADERS OUSTED LAST MONTH HAD UNDERMINED THE ECONOMY. AND CHINA, HE SAID, WOULD HAVE TO MAKE UP FOR LOST TIME. MISTER WANG ADDED THAT THE DEVASTATING EARTHQUAKE AT TANGSHAN IN JULY, AS WELL AS PEKING'S FOREIGN EXCHANGE SHORTAGES WERE HAMPERING EFFORTS TO EXPAND FOREIGN TRADE.

CHINESE VICE PREMIER LI HSIEN-NIEN REPORTEDLY TOLD THE FRENCH GROUP THAT CHINA WANTS TO IMPORT MORE CAPITAL EQUIPMENT, INCLUDING PETROCHEMICAL TECHNOLOGY, OIL AND MINERAL EXPLORATION EQUIPMENT, STEEL-MAKING TECHNOLOGY, AND POWER GENERATING SYSTEMS.

ROSS MUNRO -- WRITING FROM PEKING FOR THE "TORONTO GLOBE AND MAIL" -- SAYS THAT NOW THAT CHINA'S LEADERS DONT' HAVE TO BE SECOND-GUESSED BY RADIAL IDEOLOGUES, THERE IS EVERY REASON TO BELIEVE THAT ITS FOREIGN TRADE WILL GROW AT A STEADY PACE. BUT TO GO BEYOND THAT, HE WRITES, AND PREDICT THAT A BIG BOOM IN CHINESE TRADE IS RIGHT AROUND THE CORNER WOULD BE RASH, GIVEN SOME OF THE REALITIES.

MISTER MUNRO SAYS THE CHINESE LEADERSHIP SHOWS NO SIGNS OF DEVIATING FROM ITS CONSERVATIVE FINANCIAL POLICY OF BUYING ONLY WHAT CHINA CAN PAY FOR. AND HE OBSERVES THAT THE MODERATES WHO NOW PREVAIL IN PEKING ARE NATIONALISTS FOR WHOM SELF-RELIANCE IS STILL MUCH MORE THAN A SLOGAN. HE ALSO NOTES THAT PREMIER HUA KUO-FENG IN A RECENT CONVERSATION WITH A FOREIGN VISITOR, SPOKE EMOTIONALLY ABOUT THE OLD CHINA WHICH RELIED ON THE OUTSIDE WORLD FOR NEARLY ALL OF ITS MANUFACTURED GOODS. THERE IS, IN THE CANADIAN CORRESPONDENT'S WORDS, "STILL A STRONG CONSENSUS AMONG THE MODERATES THAT CHINA MUST STRIVE FOR ECONOMIC SELF-SUFFICIENCY, AND THAT THE IMPORTATION OF FOREIGN TECHNOLOGY IS A NECESSARY AND, THEY HOPE, A SHORT-TERM EVIL."

DOCTOR BARRY RICHMAN -- A PROFESSOR OF INTERNATIONAL BUSINESS AT THE UNIVERSITY OF CALIFORNIA AND AUTHOR OF THE BOOK "INDUSTRIAL SOCIETY IN CHINA" -- BELIEVES THAT THE FALL FROM POWER OF THE RADICAL FACTION IN PEKING BODES WELL FOR THE FUTURE OF SINO-AMERICAN TRADE RELATIONS. FROM THE CURRENT LEVEL OF FIVE HUNDRED THOUSAND DOLLARS A YEAR, HE SAYS, TWO-WAY TRADE BETWEEN THE UNITED STATES AND CHINA COULD JUMP TO OVER THREE THOUSAND MILLION DOLLARS IN A FEW YEARS. BUT LIKE OTHER OBSERVERS, HE SAYS THAT IT REMAINS TO BE SEEN WHETHER CHINA'S NEW LEADERS WILL ABANDON THE TRADITIONAL MODEL OF SELF-RELIANCE IN FAVOR OF A RAPID, LONG-TERM INFUSION OF FOREIGN CAPITAL AND TECHNOLOGY TO MEET THE PRESSING REQUIREMENTS OF MODERNIZATION. IN ANY CASE, DOCTOR RICHMAN BELIEVES THAT A SOLUTION CHINA'S BALANCE OF PAYMENTS PROBLEMS TO PERMIT GROWING IMPORTS LIE IN ITS ENORMOUS OIL RESERVES WHICH HAVE NOT BEEN EXTENSIVELY DEVELOPED.

(OPT) "NEW YORK TIMES" ECONOMICS WRITER THOMAS MULLANEY SAYS THE TRENDS IN CHINA'S TRADE WITH JAPAN MAY SERVE AS A BELLWEATHER OF PEKING'S TRADE WITH OTHER COUNTRIES. FROM THE UNITED STATES AND EUROPE'S STANDPOINT, HE WRITES, A RETURN TO NORMALCY IN SINO-JAPANESE TRADE WOULD HAVE AT LEAST ONE IMPORTANT EFFECT IN THAT IT COULD LESSEN JAPAN'S EFFORTS TO FIND ALTERNATIVE MARKETS FOR ITS PRODUCTS IN THE UNITED STATES AND ON THE EUROPEAN CONTINENT. IN HIS VIEW, THE OPENING UP OF THE CHINA MARKET WOULD ALSO REDUCE TO SOME EXTENT THE NEED FOR THE STRONG-CURRENCY NATIONS SUCH AS THE UNITED STATES, WEST GERMANY AND JAPAN TO PROVIDE LARGER MARKETS FOR THE PRODUCTS OF SUCH WEAK-CURRENCY COUNTRIES AS BRITAIN, ITALY AND FRANCE. THUS, MISTER MULLANEY CONCLUDES, APART FROM THEIR INTEREST IN THE PEKING POLITICAL SCENE, TOKYO, BONN AND WASHINGTON ARE TAKING A PARTICULARLY KEEN INTEREST IN CURRENT TRADE DEVELOPMENTS IN CHINA. (END OPT)

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